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Unit Urged To Replace CIA's Aid

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A presidential task force has decided to recommend creation of a special Federal commission to finance overseas activities of private agencies formerly subsidized covertly by the Central Intelligence Agency.

At a meeting earlier this month, the task force, headed by Secretary of State Dean Rusk, tentatively approved a plan to set up a 15-member commission with a staff of 100 to supervise the channeling of Government grants to private groups and individuals working abroad.

The Rusk panel was established in the spring of 1967 following disclosure that the Central Intelligence Agency, since the 1950s, had secretly channeled money to student organizations, youth groups, labor unions and cultural organizations to help finance their overseas activities. In some cases, charitable organizations had been used as "conduits" by the CIA for the distribution of funds.

Change in Program

The Rusk group, whose report has not yet been sent to the President, concluded that the focus of the support program ought to be shifted to underdeveloped countries instead of concentrating on Europe, as it had in the past.

The Administration is not expected to seek implementation of the recommendations this year. In fact, the Rusk group itself has suggested that its proposals not be sent to Congress until 1969. That would leave it up to the new Administration to take final action on the plan.

When the CIA's subsidy activities became public knowledge last year, the President initially appointed a study group headed by Under Secretary of State Nicholas deB. Katzenbach.

Its March 29, 1967, report recommended that Federal agencies cease secret payments to educational and private voluntary organizations and that a new study group be set up to propose ways to channel funds openly into the activities previously financed secretly by the CIA.

The President endorsed these recommendations and appointed the Rusk group.

Payments Halted

According to the Rusk committee findings, the CIA had been giving grants averaging about \$200,000 a year each to over 30 different private organizations working abroad.

The committee found that by Dec. 31 of last year the CIA had halted all such payments to private organizations.

Funds for three former recipients of CIA largesse have been included in the fiscal 1969 Federal budget. The National Student Association will receive grants from the Department of Health, Education and Welfare. The Asia Foundation and the United States Youth Council are both included in the State Department budget request under the new category of "Institution-Building Activities."

In recommending creation of a 15-member commission, the Rusk group turned down a plan to include under the new commission's control such established programs as the U.S. Information Agency libraries and the Fulbright teacher and scholar exchanges.